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Civiletti Tells Why He Held Billy Report

Defends His Delay Conveying Evidence

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Attorney General Benjamin R. Civiletti yesterday offered an explanation of why he temporarily held back from investigators the first solid evidence that Billy Carter was getting paid by the Libyans.

Civiletti, in a two-page statement, said that after learning in April of this year of possible payments to Billy Carter, he did not pass that along for two reasons:

- If the payment had not actually been made, he did not want to "abort the transaction," because its completion might provide evidence that Billy Carter had violated the Foreign Agents Registration Act.
- If investigators did not know about the transaction from other sources, Civiletti's disclosure of what he knew "could compromise the intelligence source."

Sen. Birch Bayh, D-Ind., chairman of the new Senate Judiciary subcommittee that is investigating the Billy Carter case, said yesterday that, from what he knew of Civiletti's actions, he felt that the attorney general "responded properly" after receiving the intelligence information about the payments.

The details of the Libyans' transaction with Billy Carter have never been made public. Some of those details, however, are reported in secret documents that have been turned over by the government to the Senate and House Intelligence committees.

The Justice Department has supplied some of those documents, including the intelligence report that Civiletti refused, for a time, to share with his own department's investigators.

Once Civiletti shared that information, the investigators went ahead and made their case that Billy Carter was violating the law by failing to report that he was a paid foreign agent for the Libyans.

The president's brother has admitted receiving \$220,000 for his services on Libya's behalf, claiming that these were initial payments on a loan of \$500,000.

Billy Carter apparently used some of the money to pay part of his back taxes this year, congressional sources reported yesterday.

He got the money in two payments, the largest a check for \$200,000, which the Libyans paid him on April 7 of this year.

On April 18, Billy Carter deposited that sum in his bank account.

That was the same day he negotiated an agreement with the Internal Revenue Service over his tax bill.

One day later, according to congressional sources, he paid the IRS \$45,000.

The payment did not satisfy his debt entirely because his agreement with IRS pledged his Georgia house and its adjoining acreage as collateral on the tax debt. The total amount of that debt is unknown.

Until now, the use of the Libyan funds has remained unknown. The remainder, beyond the \$45,000, apparently has not been traced yet.

President Carter told Congress on Monday that he has not received any of the money directly or indirectly, and that he has told his financial advisers to be sure that he does not get any benefits from it in the future.

The role of the attorney general in leading government investigators toward the discovery that Billy Carter was being paid by the Libyans has been disclosed during the past several days.

In his statement, Civiletti said, "I believed that if we waited, the transaction might be completed and the department would learn of the actual transfer of funds, which would enable the Criminal Division to proceed without the risk of identifying an important intelligence source," the Civiletti statement said.

There was no indication, in yesterday's statement, of the day in April that Civiletti was told about possible payments to Billy Carter.

A "confidential, lawful, intelligence source," the attorney general said, indicated "that a transfer of money might be made by the Libyan government." The information did not indicate that the money had been requested by Billy Carter; nor did it indicate any undertaking by Billy Carter as consideration for the payment.

To avoid interfering with the transaction and to protect the intelligence source, Civiletti said, he decided to "await developments" — presumably a reference to the investigation the department's Criminal Division was making of Billy Carter's possible legal duty to register as a foreign agent for Libya.

The remainder of Civiletti's explanation closely followed what has been published previously about his actions.

He said that he told Assistant Attorney General Philip B. Heymann, who heads the Criminal Division, "that I had learned of highly sensitive intelligence information as a result of which we should be certain the Billy Carter investigation was not closed."

Civiletti's statement did not explain that last remark. Department investigators have insisted that they had no plans to close the investigation.

The attorney general said that, "shortly after May 29," investigators got information that Billy Carter "had in fact received and/or was receiving monies from the government of Libya."

"There were now multiple sources which diminished the risk of compromising any particular source. It also appeared that the transaction had been completed."

"Therefore, I promptly requested that the intelligence documents I had seen in April be given to the department so that the Criminal Division would have access to the contents of the reports."

Civiletti said the division did then get the reports. He did not give a date for that turnover of papers, but other sources have indicated that some division attorneys got the data on June 2, while the Billy Carter investigators themselves did not get it until June 9.

In a statement last night, John L. Martin, chief of the internal security section, said he had "received the information in the normal course of business in the first week of June."

The Martin statement apparently referred to a story in yesterday's editions of The Washington Star that said Joel S. Lisker, chief of the foreign agents registration unit of the internal security section, did not receive the information until Martin told his bosses that the information had to be given to Lisker.

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Martin's statement continued, "It was not necessary to lodge any protest or make any demands on any Justice Department officials to see the report."

Billy Carter himself on June 11 confirmed, after some prodding, to the department that he had been getting paid by Libya. That statement, Civiletti noted yesterday, "provided the Criminal Division with usable evidence for any subsequent legal proceeding, without compromising intelligence sources."

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Allan Frank contributed to this report.*